## Message Text

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**ORIGIN EB-06** 

INFO OCT-01 NEA-06 ISO-00 GSA-01 COME-00 H-01 TRSE-00

RSC-01 /016 R

DRAFTED BY EB/ISM:WPOLIK:LMP APPROVED BY EB/ISM:MJDUX NEA/INS:RBMORLEY

----- 076609

R 011638Z NVV 74
FM SECSTATE WASHDC
TO AMEMBASSY NEW DELHI
INFO AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

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E.O. 11652: N/A TAGS: EMIN, ETRD, IN SUBJECT: MICA

REF: A. STATE 212484 (NOTAL); B. NEW DELHI 11550; C. NEW DELHI 9990; D. STATE 160974 (NOTAL)

- 1. GENERAL ELECTRIC CO. (GE -- LARGEST US CONSUMER OF MICA) HAS BROUGHT TO ATTENTION OF DEPARTMENT, GSA, AND MEMBER OF CONGRESS ITS PROBLEMS IN OBTAINING NEEDED SUPPLIES OF SCRAP MICA FROM INDIA. AS RESULT OF THESE PROBLEMS GE BUYING MORE MICA FROM GSA STOCKPILE THAN IT WOULD ORDINARILY, ALTHOUGH IT WOULD PREFER TO IMPORT INDIAN SCRAP MICA.
- 2. GE STATES THAT MAIN PROBLEM AFFECTING SHIPMENTS OF INDIAN SCRAP MICA APPEARS TO BE RELUCTANCE OF SHIPPING COMPANIES TO CARRY SCRAP, SINCE IT MORE PROFITABLE TO CARRY OTHER COMMODITIES. AS RESULT, GE INFORMS DEPT THAT IT HAS NOT HAD ANY INDIAN SCRAP MICA FOR 3-4 MONTHS. GE LIMITED OFFICIAL USE

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ALSO USES BRAZILIAN SCRAP MICA, BUT THIS NOT ADEQUATE FOR ALL GE NEEDS.

3. IN LIGHT OF SITUATION DEALT WITH IN REFS B,C AND D, DEPT ASCERTAINED THAT GE BUYS THROUGH US MICA IMPORTERS IN NEW YORK, AND ONE OF THESE (MR. TESTAN OF SIGBERT-LOEB CO.) IS CURRENTLY IN INDIA EXPLORING SITUATION. TESTAN

HAS REPORTED TO GE THAT SHIPPING PROBLEM MAY BE RESOLVED "FOR TIME BEING" AND THAT HE APPEARS TO HAVE LINED UP 300 TO 400 TONS OF SCRAP. HOWEVER, GE SEES PROBLEMS OF OBTAINING INDIAN SCRAP MICA AS A CONTINUING ONE. GE NORMALLY USES ABOUT 50 TONS MONTHLY OF INDIAN SCRAP, AND HAS INDICATED REQUIREMENTS OF 100 TONS MONTHLY FOR NEXT NINE TO TEN MONTHS.

- 4. TESTAN EXPECTED TO BE IN INDIA ANOTHER TWO-THREE WEEKS. GE UNSURE WHETHER HE HAS CONTACTED POSTS, BUT MAY SUGGEST THROUGH HIS NEW YORK OFFICE THAT HE SHOULD DO SO IF HIS SCHEDULE PERMITS.
- 5. EMBASSY REQUESTED DISCUSS GE PROBLEMS IN OBTAINING INDIAN SCRAP MICA WITH APPROPRIATE INDIAN OFFICIALS, IN PARTICULAR REPORTED PROBLEM OF ARRANGING SHIPPING FOR SCRAP. IN DISCUSSIONS EMBASSY SHOULD NOTE PREVIOUS INDIAN APPROACHES TO USG ON GSA MICA DISPOSALS AND ADVISE INDIANS THAT INABILITY TO MEET MICA NEEDS OF US CONSUMERS ON A STEADY BASIS UNDERCUTS THEIR ARGUMENTS FOR REDUCED GSA STOCKPILE DISPOSAL PROGRAMS.
- 6. GSA HAS NOV. 12 MEETING SCHEDULED WITH US MICA INDUSTRY (IMPORTERS, DEALERS, CONSUMERS) TO DISCUSS MICA DISPOSAL PROGRAM. DEPARTMENT WOULD THEREFORE APPRECIATE EMBASSY REPORT BY NOV. 9. INGERSOLL

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<sup>\*\*\*</sup> Current Handling Restrictions \*\*\* n/a

<sup>\*\*\*</sup> Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

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**Current Classification: UNCLASSIFIED** 

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